

National Funding Summary Guide

Current Funding Insights for Fiscal Year 2026

School Year 2026–2027



Introduction

Imagine Learning updated our National Funding Summary Guide for fiscal year 2026 (FY26) to help school leaders and their communities better understand and prepare for the overall funding conditions across federal, state and local funds and grants from philanthropic donors and the funding policies shaping K–12 education for school year 2026–2027 (SY26–27).

STUDENT POPULATION (approximates)

- **49.5M** Public school students
- **3.7M** Charter school students
- **5.7M** Private school students
- **26M** Free-reduced lunch students
- **5.3M** English learners students
- **8.3M** Special education students

Our nation continues to endure rapid change in K–12 education: enrollment declines and demographic shifts impacting per-pupil formula funds¹, chronic absenteeism affecting nearly 28% of all students and their associated funding², evolving federal and state education policies redistributing existing funding priorities³, swift policy transformations and new interagency partnerships⁴ within the U.S. Department of Education (USED) straining administrators and school leaders⁵, and continued funding uncertainty⁶ constricting the ability of schools to accurately forecast and plan long-term.⁷

Current Conditions

FEDERAL

- Policy shifts
- Interagency partnerships
- USED reductions

STATE

- Spending cuts
- Hiring freezes
- Program reductions

LOCAL

- Budget constraints
- Enrollment declines
- Staffing capacity

¹ExcelinEd: “Enrollment Decline: The Biggest Threat to Public Schools That No One Wants to Tackle” (June 2025)

²SchoolHouse Connection and Attendance Works: “Inspiring Best Practices for Improving Attendance of Students Experiencing Homelessness”

³EdWeek Market Brief: “What a Changing State Budget and Policy Landscape will Mean for K-12 Spending” (July 2025)

⁴U.S. Department of Education: “Returning Education to the States”

⁵Education Week: “How Trump Has Changed Schools in His First 100 Days: A Timeline” (April 2025)

⁶PowerSchool “2026 K–12 EdTech Pulse Report: What Education Leaders Are Thinking, Planning, and Prioritizing Now”

⁷EdWeek Research Center: “School Finance in an Uncertain Age” (May 2025)

Funding Environment

For three consecutive fiscal years (2022, 2023, 2024), state education agencies (SEAs), local education agencies (LEAs), and school communities received an influx of emergency relief funding (over \$200 billion) driving instant revenue increases across state, district, and school budgets, and, as a result, higher rates of spending under those one-time investments.

Historically, the federal government provides approximately 8–10% of a state's total K–12 education revenues. However, over the past three fiscal years, many states relied more heavily on the federal government's share of revenues. For example, in FY23, 38 states received more than 11% of their education funding from federal sources. In 20 of those states, the federal share exceeded 15%, and in 4 states it was greater than 20%⁸. Without those contributions in FY26, states' budgetary conditions will tend to be more stressed for SY26–27.

Without the relief dollars in play for FY26, states and local communities are tightening budgets, reducing overall spending, and steadily aligning educational priorities with limited resources. Strategic, data-driven financial planning and decisions, even with faced uncertainty, will be critical for school communities to maximize every available dollar to gain a return on investment (ROI) with strong student outcomes for their academic programs and initiatives.

Sources: National Association of State Budget Officers **Fiscal Survey of States** (Spring 2025); U.S. Department of Education: **Fiscal Year 2026 Budget Summary, Justifications of Appropriation Estimates to the Congress, and Budget Tables**; Hanover Research: **2025 Trends in K–12 Education**; MGT "Funding the Future: Financial Strains and Strategies for Schools" (February 2025); U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "State Nonfiscal Survey of Public Elementary/Secondary Education," 1990–1991 through 2023–24. Department of Defense Education Activity (DoDEA) Data Center, Enrollment Data, Fall 2011 through Fall 2023, retrieved November 16, 2023 from <https://www.dodea.edu/education/research-accountability-and-evaluation/enrollment-management>. See **Digest of Education Statistics 2024**, table 203.20, https://nces.ed.gov/programs/digest/d24/tables/dt24_203.20.asp; and, **Private School Review**.

⁸U.S. Census Bureau Annual Survey of School System Finances: **2023 Public Elementary-Secondary Education Finance Data** (April 2025)

State and Local Funds

K–12 Highlights and Themes

STATE BUDGETS

Overall, FY26 state budgets are relatively tight, with many states becoming more cautious with K–12 spending. According to the National Association of State Budget Officers (NASBO), states' general fund spending is expected to be relatively flat — \$1.31 trillion for FY26, an increase of 0.8% compared to FY25 estimated levels⁹. With the impending changes from federal contributions to K–12 education, financial planning across states will become even more challenging as states will attempt to make the most out of every K–12 per-pupil dollar.

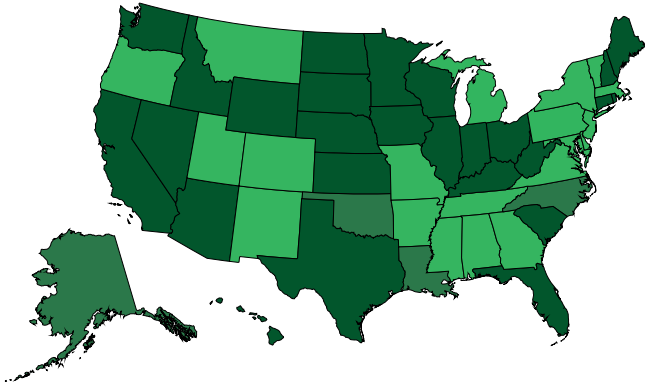
SPENDING DATA approximates

- **34%** of general fund expenditures are towards education
- **82%** of education funding is for staff and personnel

Education Budgets (Fiscal Year 2026)

Comparison of FY26 vs FY25 Enacted Budgets (as of August 2025)

■ Level ■ Increased ■ Decreased



K–12 Budgets shown are comparing FY26 vs FY25. These states have biennium budgets: CT, HI, IN, KY, ME, MA, MN, MT, NE, NV, NH, NC, ND, OH, OR, TX, VA, WA, WI, WY*). *Odd Biennial Years.

Map: Imagine Learning Grants & Funding Initiatives Sources: Enacted State Budgets (Various Sources) and Whiteboard Advisors

Nationally, per pupil spend was approximately \$17,015 per student across state (\$8,451), local (\$8,131), and federal (\$2,425) funds in FY23. For FY26, it is anticipated that states will be expected to shoulder more of the financial burden to offset any significantly reduced federal per pupil allocations due to enrollment declines and student population shifts or federal discretionary grant cancellations.

⁹National Association of State Budget Officers **Fiscal Survey of States** (Spring 2025)

In addition, states are adapting and aligning to varying K–12 federal education policies under the current federal administration: altering funding formula mechanisms to meet state needs better; adjusting budgets for population shifts specific to student enrollments, demographics, and programmatic support; keeping up with rising costs of salaries, benefits, supplies, instruction, and facilities; and balancing budgets to combat inflation and economic pressures.

LEADING EDUCATION POLICIES

- **Academic supports and achievement** (35 governors)
- **K–12 funding investments** (32 governors)
- **Career and technical education (CTE) and workforce development** (31 governors)
- **Early care and education** (26 governors)
- **Teacher workforce** (25 governors)

BUDGET THEMES

- Increasing supports for students
- Investing in literacy initiatives (early literacy)
- Expanding math instruction
- Maintaining teacher workforce
- CTE pathways and apprenticeships

LONG-TERM INVESTMENTS

- Teacher recruitment, training, and certification
- High-quality instructional materials (HQIMs)
- Evidenced-based literacy instruction
- Student and program data and assessments
- Data-driven programs
- Student groups (low-income, English learners, students with disabilities)
- Artificial intelligence (AI)
- Student engagement

Sources: National Association of State Budget Officers (NASBO) **Fiscal Survey of States** (Spring 2025), **Summaries of Fiscal Year 2026 Enacted Budgets (September 2025)** **Summaries of Fiscal Year 2026 Proposed Budgets** (May 2025); Education Commission of the States (ECS) **Governors' Top Education Priorities in 2026 State of the State Addresses** **Governors' Top Education Priorities in 2025 State of the State Addresses** (March 2025); National Council for State Legislators (NCSL): **"FY 2026 State Budget Status"** (July 2025); Hanover Research: **2025 Trends in K–12 Education** (January 2025) and **6 Ways K-12 Education is Changing in 2025-26** (August 2025); National Governors Association (NGA) **2025 "Education Themes in 2025 State of the State Addresses"** (April 2025); **Education Data Initiative** (2025); School Business Now (SBN): **"Education Funding Forecast: What Federal Decisions Mean for Your Budget"** (April 2025); and, Whiteboard Advisors: **"FY26 Education Budgets Signal Cautious Optimism and Innovation"** (August 2025)

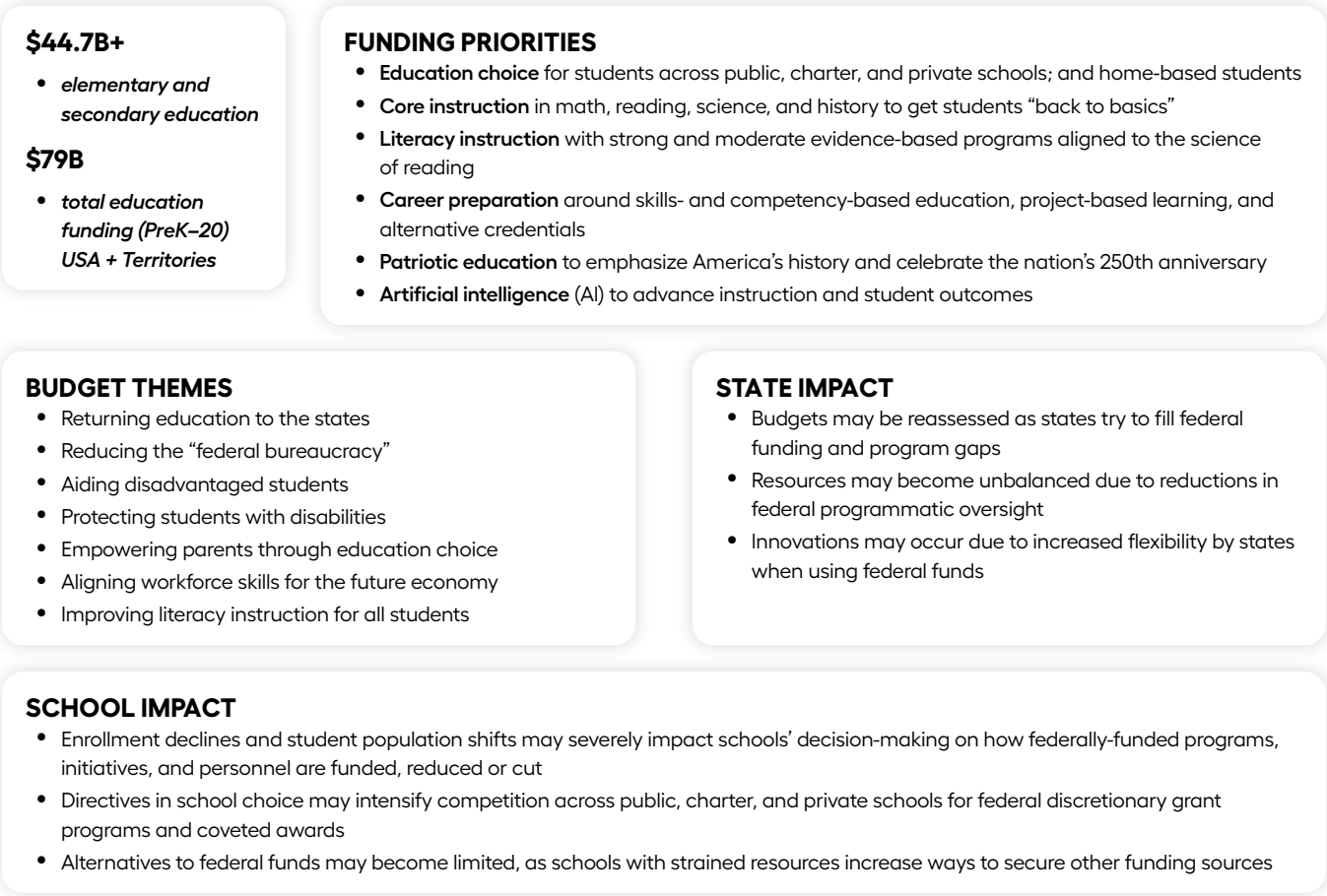
Federal Funds

USED, APPROVED¹⁰ BUDGET, GRANT PRIORITIES, ALLOCATIONS & HISTORICAL FUNDING LEVELS

An abundance of change is occurring abruptly across the USED as the federal government attempts to advance its' foremost priority in "returning education to the states"¹¹. These efforts include issuing Presidential Actions and Executive Orders¹² related to education; dissolving departments and reductions of force within the USED¹³; canceling education and research-based contracts and grants¹⁴; withholding (then releasing) federal funds allocated to SEAs and LEAs¹⁵; enforcing Title VI protections for students and pursuing investigations into potential illegal discrimination across SEAs and LEAs; unceasing litigation (particularly around civil rights enforcement, diversity policies and programs, and parental rights); and reshaping the federal education system, directly affecting SEAs, LEAs, administrators, educators, students and families.

FY26 APPROVED BUDGET

Our federal insights can help education leaders and administrators strategically plan for the long-term and quickly assess the federal funding conditions impacting school communities for SY26–27.



Sources: U.S. Department of Education: **Fiscal Year 2026 Budget Summary, Justifications of Appropriation Estimates to the Congress, Budget Tables, Press Releases**; Education Week: “**How Trump’s School Priorities will Shape New Ed. Dept. Grants**” (May 2025); and, K–12 Dive “**The Education Department’s approach to civil rights enforcement is changing. Here’s how.**” (April 2025).

¹⁰H.R. 7148: **Consolidated Appropriations Act, 2026**

¹¹U.S. Department of Education: **Returning Education to the States Tour**

¹²The White House Presidential Actions: **Executive Orders**

¹³U.S. Department of Education Press Release: “**Secretary McMahon Statement on Supreme Court Victory for Future of American Education**”

¹⁴EdWeek Market Brief: “**Which Organizations’ Contracts at the Education Department Have Been Terminated by DOGE?**”

¹⁵EdWeek Market Brief: “**Trump Abruptly Unfreezes All of the Education Funds He Had Withheld**”

Federal Discretionary Grants

FUNDING PRIORITIES

The U.S. Department of Education's federal discretionary grant priorities emphasize targeted, evidence-based investments designed to improve student outcomes while building the future of the workforce. Across competitive programs, the Department is signaling continued focus on accelerating academic recovery and achievement, expanding high-quality learning opportunities for historically underserved students, strengthening the educator workforce, and supporting pathways that connect K-12 education to postsecondary success and career readiness. These priorities reflect a broader federal strategy to direct limited discretionary funds toward scalable, data-driven and evidenced-based programs that address persistent achievement gaps (literacy and math), workforce needs, and the evolving demands placed on states, districts, and schools.

EDUCATION CHOICE

Grant priorities

- Expansion of charters
- Innovative school models
- K-12 open enrollment
- Dissemination/communication of ed choice options
- Implementation of ESAs
- Home based education
- Concurrent enrollment programs
- Career preparation
- Skills-based education
- Apprenticeships
- Work-based learning
- Accelerated learning
- Tutoring

LITERACY

Grant priorities

- Literacy instruction grounded in the Science of Reading
- Strong and moderate evidence
- High-dosage tutoring
- Small group instruction
- Early literacy and school readiness

MEANINGFUL LEARNING

Grant priorities

- Core instruction in mathematics
- Strong, moderate, or promising evidence
- HQIMs (core subjects)
- Effective interventions and supports
- Competency-based instructional models
- Strategic staffing models
- New school day schedules
- High-impact tutoring
- Career-connected learning
- Innovative assessment models

ARTIFICIAL INTELLIGENCE

Grant priorities

- AI-based HQIMs
- AI-driven tools
- AI-skills
- AI-enhanced high-impact tutoring
- AI-computer science
- AI for college/career pathways
- PD (integration of AI in subject areas)

PLEDGE TO AMERICA'S YOUTH

"a commitment to help prepare today's students for a world where AI skills are as foundational as math and reading" – Imagine Learning is a partner!

WORKFORCE READINESS

Grant priorities

- Career exploration
- Career readiness
- Programs aligned to state priorities
- Skilled trades
- Competency-based pathways
- Credentials
- Apprenticeships
- and more!

PATRIOTIC EDUCATION

Grant priorities

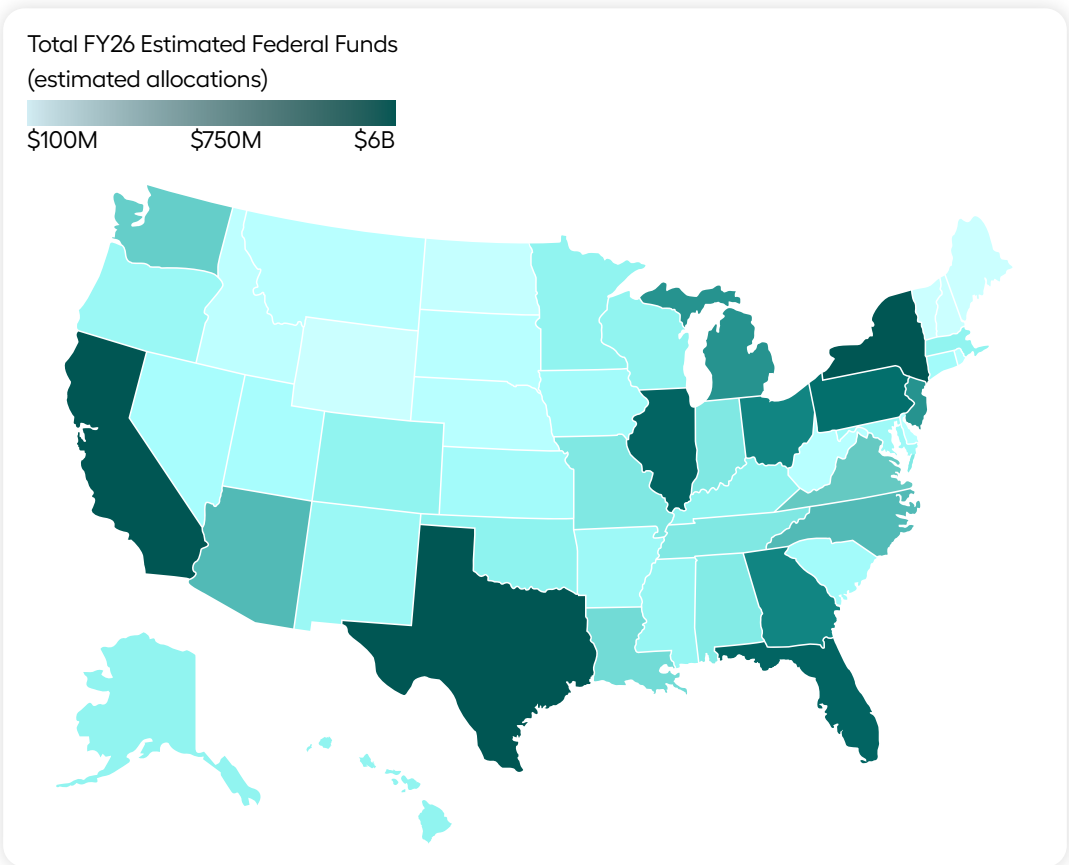
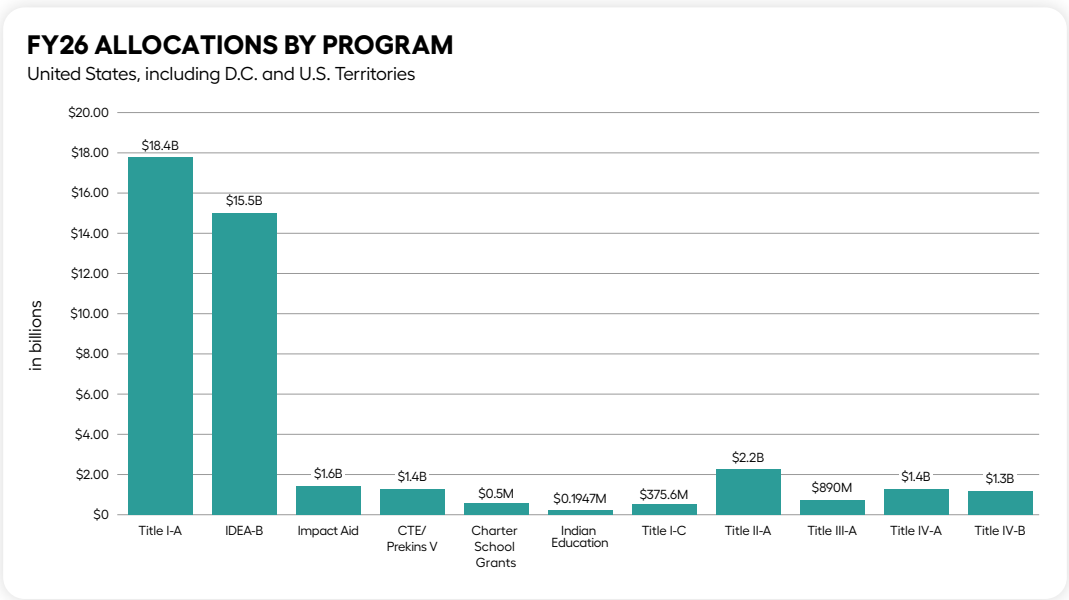
- America's history, values, and geography with an "unbiased approach"
- Constitution, government, and civics
- History/geography
- Military and diplomatic history
- Literacy and rhetoric
- Art
- Founding documents, political tradition
- Western European influence
- Celebrating America's 250th year anniversary

Sources: U.S. Department of Education: [Returning Education to the States](#)

Federal Funds

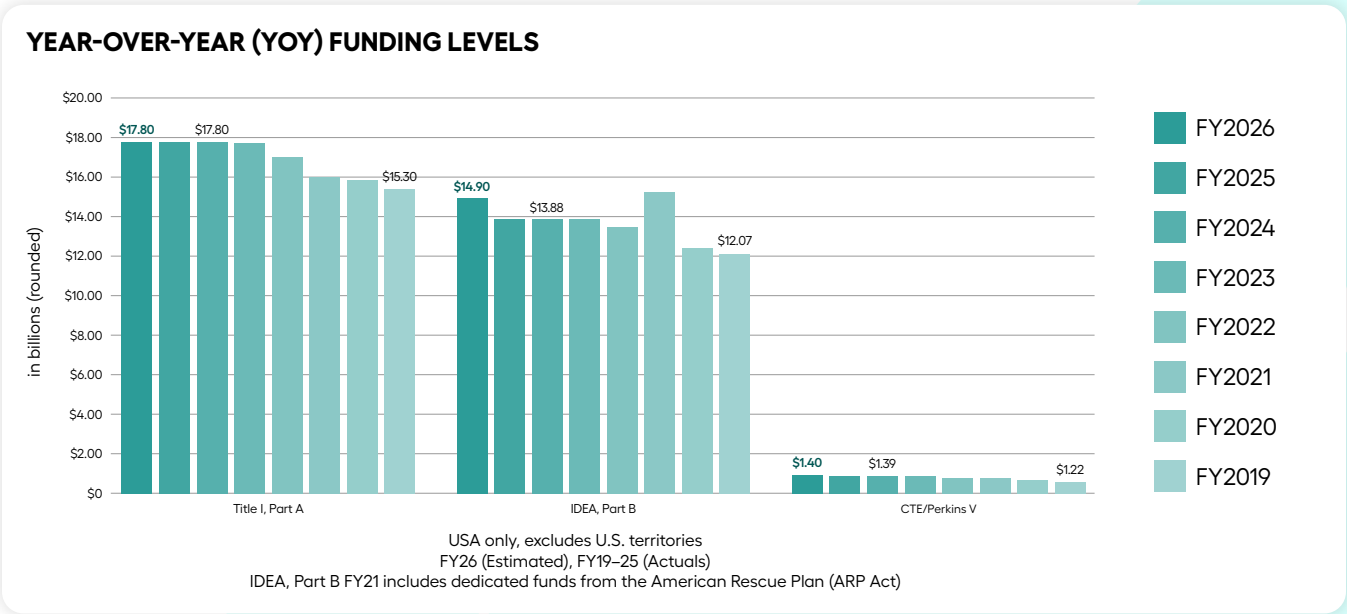
FY26 PROGRAM ALLOCATIONS

Following Congressional approval of the FY26 education appropriations, the USED issued the FY26 estimated allocations to SEAs. Many LEAs and school communities with declines in student enrollments and student population shifts, will experience a decrease in the total contributions, by program, for SY26–27.



HISTORICAL FUNDING LEVELS

The funding levels for three protected programs — Title I-A, IDEA-B, and CTE/Perkins V — are relatively level with FY25 appropriations. Historically, these programs’ funding levels have increased since FY19 (pre-pandemic), continuing to be a reliable source of funds for school communities during SY26-27.



Source: U.S. Department of Education **Budget History**

FY26 INVESTMENT STRATEGIES

INVESTMENTS	How Imagine Learning can deliver...
High-quality instructional materials (HQIM)	K–12 learning solutions that support the boundless potential of students in more than half the districts nationwide. Empowered with data and insights from educators, we innovate to shape the future of education with a robust, digital-first portfolio of school services and core, courseware, and supplemental solutions. • Curriculum: Our personalized learning solutions are designed to empower educators and improve student achievement. • HQIM: Imagine Learning knows HQIM play a crucial role in the education landscape, significantly influencing student engagement and achievement and teacher effectiveness. • Instructional Services: Certified teachers improve K–12 student performance with dynamic curriculum, proactive communication, and live instruction. Serve more students and close staffing gaps in your school with dedicated, passionate online educators and countless high-quality courses.
Literacy and science of reading	A comprehensive English language arts (ELA) suite designed so each student has a pathway to literacy. Imagine Learning offers core curriculum solutions that are effective, innovative, and student-centered, plus a research-proven supplemental solutions focused on literacy and language development. Our evidence-based curricula and instruction align to the Science of Reading .
Artificial intelligence (AI)	Trusted, research-backed insights and instructional support that improve learning outcomes for students and their teachers. Through our Curriculum-Informed AI™ philosophy, we are building and integrating AI across our portfolio to align with high-quality instructional materials (HQIM) and evidence-based instructional practices.
Data and assessments	Screening, diagnostic, and formative assessments to enable precise, personalized learning and support informed instructional decisions. Imagine+ Assessment seamlessly integrates with Imagine Learning's ELA and math supplemental solutions.
High-intensity tutoring	Expert, on-demand virtual tutors provide real-time student support using a secure online platform. Equitable access to one-on-one support gives students the guidance they need to move on to more complex concepts with confidence.
Small group instruction	Highly qualified certified teachers provide Small Group Targeted Instruction (SGTI) to intensify acceleration pathways for students' academic achievements and engagement in mathematics, ELA, science, social studies, English language development (ELD), and test prep.
Summer and extended learning	Flexible options help customize summer or extended learning programs that move students toward their full potential. Summer and extended learning programs are ideal opportunities for students to work on grade-level skills, receive targeted intervention, or accelerate their learning.
CTE and skills-based learning	A robust catalog of highly relevant career and technical education (CTE) courses empowering students to explore their career or job interests by engaging with learning experiences across different careers and industries — including multiyear support for high-demand, high-interest careers and job certification exam readiness.
Special education	Imagine Learning's special education solutions provide evidence-based programs and SPED-certified services that help districts expand instructional and staffing capacity, maintain compliance, and meet the needs of students with IEPs, 504 plans, and other individualized supports. These solutions strengthen instructional quality, promote equitable access, and help students make measurable progress toward their learning goals.
Professional learning	Targeted training, customized sessions, and practical resources to give educators everything they need to be successful. Job-embedded coaching and professional learning help build a collaborative community, with teachers and administrators sharing best practices in instruction. Imagine Learning partners with educators to ensure they implement our classroom solutions with fidelity; learn how to support all students in a blended, hybrid, or virtual classroom; and engage learners.

Philanthropic Donors

THE RISING ROLE OF DONORS

Aside from the primary PreK–12 funding revenue streams deriving from state, local, and federal government agencies, districts and schools may also apply to competitive grant opportunities from a variety of donors, such as individuals, foundations, and corporations.

The private sector makes significant investments and donations to education, but many districts and schools do not pursue these types of funders. Many factors can contribute, such as being unaware of how donors support education, insufficient capacity to research or write grants, or a lack of skills in approaching donors and securing grants.

However, even with limited resources, many districts and schools are increasing their efforts to pursue more grants for their education programs.

Imagine Learning is proud to support districts and schools in recognizing the vital role of donors in education and in building strong relationships with donors, especially foundations and corporations, who are investing in various areas of education.

The Imagine Learning Donor Grant Toolkit includes tips on donor relations, secrets and guides for grant-seeking and grant-writing efforts, and resources to support district and school communities in researching potential grants to support K–12 education programs and initiatives.

ADDITIONAL RESOURCES

The toolkit provides support to:

- Identify education needs
- Find potential donors
- Engage and steward donors
- Pursue funding opportunities
- Write grant applications
- And more

Free download at
imaginelearning.com/support/funding-resources



- Candid — candid.org
- Grantmakers for Education (EdFunders) — edfunders.org
- GetEdFunding — getedfunding.com
- Grants.gov
- GrantWatch — grantwatch.com

Imagine Learning's Qualified Programs

Our evidence-based solutions currently qualify for many **existing PreK–12 federal funding programs** and we anticipate our solutions will continue to align with the FY26 federal programs.



Imagine More Learning Opportunities

Find out how our evidence-based programs can deliver a return on your investment for your SY26–27 strategies at imaginelearning.com/funding.



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For a digital copy of this brochure, please visit imaginelearning.com/funding.